NGA Center for Best Practices SIDE-BY-SIDE ANALYSIS OF STATE AND LOCAL PROVISIONS IN THE WORKFORCE INVESTMENT ACT REAUTHORIZATION BILLS

YOUTH

Note: Based on House-Passed Bill and Senate-Passed Bill. Italics indicate differences between the Senate bill prior to committee action and as reported.

Current Law	H.R. 1261	S. 1627/Amended H.R. 1261
Governance		
State Workforce Investment Board Membership: The State board includes the Governor, 2 members of each chamber of the state legislature, business representatives, chief elected officials, labor representatives, lead state agency officials responsible for one-stop partner programs, representatives of organizations with experience in delivery of youth and workforce services, plus such others as the Governor may designate. A majority must consist of business representatives and the chair must be a business member.	Same as current law, but drops representatives of organizations with experience in delivery of youth and other workforce activities. Adds the head of state vocational rehabilitation unit (if not head of a state agency) and state economic development officials. Governors may still expand board membership. Same as current law.	Same as House, except adds a reference to small businesses. Same as House.
Local Workforce Boards: Local boards must include representatives of business, labor, local education entities and community-based organizations. There must be a business majority and a business chair. Representatives of each of the one-stop partners also have seats on the local board. Local boards must establish a youth council to coordinate youth activities and develop youth portions of local plan among other tasks.	Same as current law, but specifies superintendents of local schools, presidents or CEOs of postsecondary education institutions, administrators of adult education programs, and requires representatives of faith-based organizations. Eliminates requirement for one-stop partner programs to have seats on local board. Removes requirement for local youth councils. However, local boards may establish advisory councils (such as a one-stop partners' council and a youth council).	Similar to House, except that representatives of faith-based organizations are not required. Same as House. Same as House. Adds that if a youth council is not established, the local board must include representatives with experience serving out-of-school youth.

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Youth Services		
State Allotments: States receive 100 percent of the first $1 billion in appropriations for youth. In years when appropriations exceed $1 billion, the excess amount (up to $250 million) is used to fund youth opportunity grants and youth activities related to migrant and seasonal farmworker programs.	Gives states 75 percent of the first $1 billion for youth activities and everything over $1 billion appropriated for a fiscal year. House bill authorizes $1.25 billion in appropriations for youth in FY 2004, subject to appropriation.	Same as current law, except "youth opportunity grants" become "youth challenge grants."
The formula for allocation to states incorporates the following factors: ➢ One-third based on the relative number of unemployed individuals in areas of substantial unemployment ➢ One-third based on relative excess number of unemployed individuals ➢ One-third based on relative number of 16-21 year old disadvantaged youth	If the total amount available to states is the same or less than what was provided in PY 2003 ($977 million), then funds would be allotted based on the formula in current law. Additional appropriations (above $977 million) would be allotted based on three factors: ➢ One-third based on the relative number of individuals in the civilian labor force ages 16-19 ➢ One-third based on relative number of unemployed individuals ➢ One-third based on relative number of 16-21 year old disadvantaged youth	Same as House, but uses 16-21 year olds in the state's civilian labor force rather than 16-19 year olds.
No state shall receive an allotment that is less than 90 percent or greater than 130 percent of prior year's share of the total allotment to states. Small state minimum is applied.	Similar to current law, but small state minimum is modified.	Similar to current law.
The Secretary is authorized to reallot among states the amount by which a state's unobligated balance exceeds 20 percent of its allotment for the prior program year.	Changes the basis of reallotment to expenditures, defined to include accrued expenditures (the value of goods or services delivered but not yet paid for). The Secretary would reallot any unexpended funds in excess of 30 percent of a year's allotment to a state and the Governor may do so to any local area on the same terms.	Similar to House, except that it specifies the effective date to be the program year after reauthorization is enacted.

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Within State Allocations: The Governor reserves not more than 15 percent of the state's allocation for statewide activities.	Reduces amount that Governor may reserve to 10 percent of the state's allocation.	Same as current law.
To send funds to local areas, states may use a formula allocation using the national factors. Alternatively, states may adopt a discretionary allocation in which at least 70 percent of funds are distributed based on the same factors the Secretary uses to allot funds to states and not more than 30 percent of funds are distributed based on a formula that reflects excess youth poverty and unemployment.	Allocates 80 percent of funds based on a formula using the national factors. Allocates 20 percent of funds based on demographic and economic factors determined by the Governor, after consultation with state and local boards.	Same as House, but uses 16-21 year olds in the state's civilian labor force. Allocates 20 percent of funds to local areas where there are a "significant number of eligible youth," after consultation with state and local boards.
Statewide Activities: Funds reserved by the Governor must be used to carry out required activities, such as conducting evaluations, providing incentive grants, providing technical assistance and providing additional assistance to local areas that have high concentrations of eligible youth. The Governor's discretionary funds may also be used for a range of allowable activities.	Strikes required activities and lists authorized activities similar to those in current law. Explicit authority is added to support provision of core services at one-stop centers.	Similar to House, but adds supporting development of alternative programs as another authorized use of funds.
Not more than 5 percent of the state allotment may be used for administration.	Same as current law.	Same as House.
Youth Eligibility: Both in-school and out-of-school youth are eligible.	Same as current law, though a new priority is given to school dropouts.	Same as House, but priority for school dropouts is not added.
Thirty percent of funds must be used to serve out-of-school youth unless the Secretary approves a request reducing the required percentage.	Not more than 30 percent of funds may be used to provide services to in-school youth.	Not more than 60 percent of funds may be used to provide services to in-school youth—unless the Secretary approves a request to exceed the ceiling.
	Activities for in-school youth must be carried out in non-school hours.	No such provision.
Eligible youth must be 14-21 years old, low-income and have one or more barriers (such as	Changes overall eligibility to 16-24 years old. Eligible out-of-school youth must be one or	Changes eligibility for out-of-school youth to 16-21 years old. Eligible youth must meet one

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basic skills deficiency or school dropout). There are no separate eligibility criteria for out-of-school and in-school youth. The definition of low-income individual does not allow school lunch eligibility as a proxy for eligibility. Not more than 5 percent of participants can be eligible regardless of income level provided they have one or more barriers, including basic skills deficient, pregnant or parenting, etc.	more of the following: school dropout; recipient of a secondary school diploma or GED who is basic skills deficient; court-involved youth attending an alternative school; youth in foster care or who have been in foster care. Eligible in-school youth must be low-income individuals and have one or more of the barriers as in current law. Modifies low-income criteria to make eligible those who receive free or reduced price school lunches. Strikes this provision.	of a broad list of criteria: school dropout; a recipient of a secondary school diploma or equivalent who is basic skills deficient, low-income and not attending any school; subject to the juvenile justice system or ordered by a court to alternative school, plus other criteria. Eligible in-school youth are 14-21 years old, low-income and have one or more barriers similar to those in current law. Same as House. Not more than 5 percent of participants may be individuals who are not low-income where income criteria are applicable.
Local Program Design: Funds must be used to provide an assessment, develop service strategies and provide preparation for employment and postsecondary education. Local programs must incorporate 10 required elements.	Strengthens emphasis on attainment of recognized credentials and pursuit of jobs in high-growth sectors. Maintains 10 program elements and adds on-the-job training opportunities and financial literacy skills.	Similar to House, but clarifies that academic instruction be based on content and standards set by No Child Left Behind legislation. Same as House, but adds entrepreneurial skills training/micro-enterprise services and information about average wages.
Eligible Providers of Youth Services: Local boards must award grants or contracts on a competitive basis.	Similar to current law, but adds an exception for local areas where there is an insufficient number of eligible providers.	Same as House.
Youth Challenge Grants: Youth Opportunity Grants are awarded to selected high-poverty areas.	Authorizes Secretary to reserve 25 percent of the appropriated amount for youth challenge grants. If the total appropriation exceeds $1 billion, only $250 million could be used for such grants.	Authorizes Secretary to reserve funding for youth challenge grants only if the total appropriation exceeds $1 billion. Up to $250 million could be used for such grants.

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	The bulk of funds would be used for competitive grants to states, local boards and other entities to assist youth ages 14-19 in acquiring skills, credentials and work experience needed for labor market success. A portion of the funds would be used for discretionary grants awarded by the Secretary.	Similar to House, except eligible youth are 14-21 years old, a non-federal match is required, grant period is 2 years, among other differences.
	Performance Accountability	
Core Indicators: States are subject to four core indicators (entered employment, retention, earnings and attainment of a credential). Core indicators are applied to older youth and all adult and dislocated worker services. Accountability measures are not applied to self-service and information activities. Three additional indicators apply to youth (attainment of basic skills, attainment of diploma or equivalent and placement and retention). Customer satisfaction indicators are established for individuals and employers.	Same as current law, but replaces attainment of a credential with an efficiency measure. These are the common measures approved by a federal interagency group. Eliminates application of core indicators to older youth. Eliminates the current exclusion for self-service and information services. Replaces core indicators for youth with entry into employment, attainment of diploma or GED, attainment of literacy or numeracy skills and efficiency. These are the common measures approved by a federal interagency group. Eliminates customer satisfaction measures, but specifies that states may use them as additional indicators.	Same as current law, but modifies earnings to focus on increases in earnings from unsubsidized employment. Does ***not*** include efficiency measure as a core indicator. Same as House. Same as current law. Similar to House, except does ***not*** add an efficiency measure. Same as current law. Encourages states to identify additional indicators that track the system's performance in meeting business needs. Authorizes Secretary to use WIA core indicators to assess performance of other one-stop programs in the Labor Department.
Reporting Requirements: In addition to core indicators and customer satisfaction	Leaves state reporting requirements intact except lifts the exclusion for reporting	Same as House.

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measures, states must report on a complex array of additional information, such as performance for special populations.	information on self-service and information activities. Also adds requirement for states to ensure data are valid and reliable.	Adds new requirements to report on cost per participant, number of participants served, new special populations, amount of adult and dislocated worker funds spent on core, intensive, training and business services.
Negotiation of Performance Levels: States must negotiate levels for performance measures for three years and then for two years, "taking into account" economic conditions and characteristics of participants.	Requires states to set performance levels for two years—in line with duration of state plans. Negotiations must adjust (not simply take into account) core measures to reflect economic conditions and participant characteristics.	Requires states to set performance levels for the first two years and then address years 3 and 4. Negotiations must adjust (using objective statistical methods) core measures to reflect economic conditions and participant characteristics. Requires Secretary to establish long-term national performance goals for core indicators in consultation with states and other parties.
State Incentives and Sanctions: Incentive grants and sanctions are doled out to states and local areas. Incentive grants are awarded to states for performance that exceeds expectations for Title I, Title II (adult education) and vocational education.	Ties award of incentive grants to performance in WIA adult and youth activities, decoupling incentives from performance in adult and vocational education. Also turns requirement for Secretary to issue incentive awards to a mere authorization.	Similar to current law, but broadens the basis of incentives beginning in PY 2005 to include exemplary performance in serving hard-to-serve groups, effective coordination, effective use of business strategies and other factors. Clarifies that states may face reduced grant amounts if performance falls below 80 percent of the adjusted and negotiated level of performance for 2 consecutive years.
Administrative and Miscellaneous Provisions		
Administrative/Other: The youth program year begins on April 1 and the adult and dislocated program years begin on July 1. Prohibits WIA funded organizations from discriminating in employment on the basis of religion, race, color, etc.	Aligns youth program year with adult program year—both to be July 1. Exempts religious organizations from prohibition on discriminating in employment on the basis of religion.	*Same as current law.* No such provision.